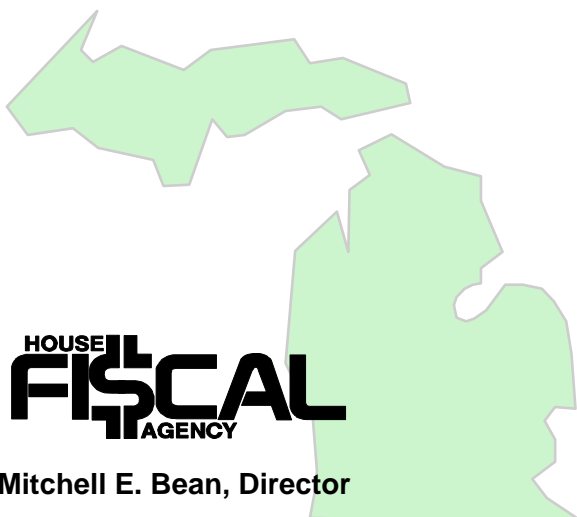


# **LINE ITEM AND BOILERPLATE SUMMARY**

## **HISTORY, ARTS, AND LIBRARIES**

**Fiscal Year 2005-06  
Public Act 157 of 2005  
Senate Bill 274**

**As Enacted**



**Mitchell E. Bean, Director**

**December 2005**

**Prepared and Compiled by:**

**Kirk Lindquist, Fiscal Analyst  
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# **HOUSE FISCAL AGENCY GOVERNING COMMITTEE**

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**Gretchen Whitmer, Vice Chair**

**Craig DeRoche**

**Dianne Byrum**

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STATE OF MICHIGAN  
HOUSE OF REPRESENTATIVES



HOUSE FISCAL AGENCY

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CRAIG DEROCHE  
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GRETCHEN WHITMER, VC  
DIANNE BYRUM  
MARY WATERS

December 2005

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2005-06 appropriation acts. Each **Summary** contains line-by-line detail, including the amount and purpose of each appropriation line and information regarding related boilerplate sections, for a specific appropriation act. Following the line item detail, a brief explanation of each boilerplate section in the appropriations bill is provided.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below strikeout amounts reflect the effect of the veto.

Line Item Summaries are available on the HFA website ([www.house.mi.gov/hfa](http://www.house.mi.gov/hfa)), or from Jeanne Dee, Administrative Assistant (373-8080 or [jdee@house.mi.gov](mailto:jdee@house.mi.gov)).

A handwritten signature in black ink that reads "Mitchell E. Bean".

Mitchell E. Bean, Director



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## **GLOSSARY: State Budget Terms**

### **STATE BUDGET TERMS**

**Gross Appropriations (Gross):** The total of all applicable appropriations (statutory spending authorizations) in a budget bill.

**Adjusted Gross Appropriations (Adjusted Gross):** The net amount of all gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

**Lapses:** Appropriation amounts that are unspent/unobligated at the end of a fiscal year.. Appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

**Work Project:** A statutorily-authorized account which allows a spending authorization to be carried over from one fiscal year to a succeeding fiscal year or years— i.e., allows funds to be spent over a period of years.

### **APPROPRIATION BILL TERMS**

**Line Item:** Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes).

**Boilerplate:** Specific language sections in an appropriation bill which direct, limit or restrict line item expenditures, express legislative intent, and/or require reports.

### **REVENUE SOURCES**

**General Fund/General Purpose (GF/GP):** Unrestricted General Fund revenue available to fund any activity accounted for in the General Fund; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

**State Restricted (Restricted):** State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.

**Federal Revenue:** Federal grant or matchable revenue dedicated to specific programs.

**Local Revenue:** Revenue from local units of government.

**Private Revenue:** Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, and gifts and bequests.

**Interdepartmental Grant (IDG):** Revenue or funds received by one state department from another state department (usually for a service provided by the receiving department).

**Intradepartmental Transfer (IDT):** Transfers or funds being provided from one appropriation unit to another in the same department.

### **MAJOR STATE FUNDS**

**Budget Stabilization Fund (BSF):** The countercyclical economic and budget stabilization fund; also known as the "rainy day" fund.

**School Aid Fund (SAF):** A restricted fund; the primary funding source for K-12 schools and Intermediate School Districts (ISDs).

**General Fund:** The General Fund (funded from taxes and other general revenue) is used to account for the ordinary operations of a governmental unit that are not accounted for in another fund.





## DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

*The Department of History, Arts, and Libraries (HAL) was created in 2001 to bring a focus to the state's efforts to develop and promote its arts, culture, library, and heritage resources. The Department's mission is to enrich quality of life for Michigan residents by providing access to information, preserving and promoting Michigan's heritage, and fostering cultural creativity. The Department includes the Mackinac Island State Park Commission, the Michigan Council for Arts and Cultural Affairs, the Michigan Film Office, the Michigan Historical Center and the Library of Michigan.*

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	232.0	Full-time equated (FTE) positions in the state classified service.
Total full-time equated positions	238.0	Total number of all full-time equated positions (includes classified and unclassified). <i>Note: based on 2,088 hours for 1.0 FTE position</i>
<b>GROSS APPROPRIATION</b>	<del>\$53,850,900</del> <b>\$53,219,100</b>	<b>Total of all applicable line item appropriations.</b>
Total interdepartmental grants/intradepartmental transfers	649,700	Total of all funds received from other departments and transfer of funds.
<b>ADJUSTED GROSS APPROPRIATION</b>	<del>\$53,201,200</del> <b>\$52,569,400</b>	<b>Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).</b>
Total federal revenue	8,218,300	Total federal grant or matchable revenue.
Total private revenue	577,400	Total private grant revenue.
Total state restricted revenue	2,583,600	State revenue dedicated to a specific fund (other than General Fund); or revenue earmarked for a specific purpose.
<b>GENERAL FUND/GENERAL PURPOSE</b>	<del>\$41,821,900</del> <b>\$41,190,100</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.</b>

## SECTION 102: DEPARTMENT OPERATIONS

*The Department Operations Unit provides funding for central policy and administrative direction, and support services to the Department. Organizations funded under this unit are the Offices of the Director, Communications, and Regulatory Affairs; and the Business Services, Human Resources, and Resources Review Divisions.*

*The unit also funds the Michigan Film Office established in 1979 to market Michigan to the movie, television, video, commercial, documentary, industrial film, and print media industry, using conventional and unconventional communication tools. The goal of this effort is promotion of the Michigan film and video industry, thereby increasing state revenue.*

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions not in the state classified service.		
Full-time equated classified positions	30.0	Full-time equated (FTE) positions in the state classified service.		
Unclassified salaries	\$222,300	Salary of the Department director. Funding Source(s):	GF/GP	222,300
		<i>Related Boilerplate Section(s): 217</i>		
Management services – 29.0 FTE positions	2,001,700	Central management services of Department. Funding Source(s):	GF/GP	2,001,700
		<i>Related Boilerplate Section(s): 202, 204, 205, 207, 208, 209, 211, 217</i>		
Building occupancy charges and rent	2,746,100	Rent and property management charges for use of state-owned facilities and privately-owned facilities. Funding Source(s):	GF/GP	2,746,100
		<i>Related Boilerplate Section(s): None</i>		
Worker's compensation	16,000	Pay worker's compensation premiums per provisions in Worker's Compensation Act. Funding Source(s):	GF/GP	16,000
		<i>Related Boilerplate Section(s): None</i>		
Film office – 1.0 FTE position	174,700	Promotes Michigan as a location for movie and television productions. Funding Source(s):	GF/GP	174,700
		<i>Related Boilerplate Section(s): None</i>		
Human resources optimization user charges	29,500	Supports a Human Resources Service Center at Department of Civil Service. Funding Source(s):	GF/GP	29,500
		<i>Related Boilerplate Section(s): None</i>		
<b>GROSS APPROPRIATION</b>	<b>\$5,190,300</b>	<b>Total of all applicable line item appropriations.</b>		
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$5,190,300</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.</b>		

## SECTION 103: INFORMATION TECHNOLOGY

*This appropriation unit contains funds for information technology services and projects administered by the Department of Information Technology (DIT).*

Information technology services and projects	\$790,700	Technology costs paid to Department of Information Technology.
		Funding Source(s):
		IDG 3,800
		Restricted 49,200
		GF/GP 737,700

*Related Boilerplate Section(s): 213, 214*

<b>GROSS APPROPRIATION</b>	<b>\$790,700</b>	<b>Total of all applicable line item appropriations.</b>
Total interdepartmental grants/intradepartmental transfers	3,800	Total of all funds received from other departments and transfer of funds.
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$786,900</b>	<b>Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).</b>
Total state restricted revenue	49,200	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
<b>GENERAL FUND/GENERAL PURPOSE</b>	<b>\$737,700</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.</b>

## SECTION 104: MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

*These appropriations provide for the state's Arts and Cultural Grants program as well as for staff and administrative support for the Michigan Council for Arts and Cultural Affairs (MCACA). The mission of the Council is to encourage, develop, and facilitate an enriched environment of artistic, creative, and cultural activity in Michigan. The Council is also responsible for distribution of the arts grants and administration of grant programs that provide funding to various arts and cultural organizations and arts education programs throughout the state. The Council is made up of 15 members appointed by the governor to serve three-year terms.*

Full-time equated classified positions	9.0	Full-time equated (FTE) positions in the state classified service.
Administration – 9.0 FTE positions	\$694,400	Staff and administrative support to administer appropriation for arts and cultural grants, set goals to strengthen arts and culture in the state, support arts education, broaden cultural awareness, establish/facilitate communication networks, and expand/develop funding resources for arts and cultural activities. Funding Source(s): GF/GP 694,400 <i>Related Boilerplate Section(s): 401, 402, 403, 404, 405, 406</i>
Arts and cultural grants	9,828,400	Provide match funds to arts organizations and arts projects in the state. Major grant programs: Anchor Organization, Arts Projects, Arts and Learning, Artists in Residence, Arts Organization Development, Capital Improvement, Local Arts Agencies Services, Regional Regranting, Partnership, Discretionary Grants, Rural Arts and Cultural, Cultural Projects, and Historical Projects. Funding Source(s): Federal 700,000 GF/GP 9,128,400 <i>Related Boilerplate Section(s): 401, 402, 403, 404, 405, 406</i>
<b>GROSS APPROPRIATION</b>	<b>\$10,522,800</b>	<b>Total of all line item appropriations.</b>
Total federal revenue	700,000	Total federal grant or matchable revenue.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$9,822,800</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.</b>

## SECTION 105: MACKINAC ISLAND STATE PARK COMMISSION

*This unit provides funding for oversight of operational activities and preservation of historic resources at the Mackinac Island State Park, the Michilimackinac State Park and the Mill Creek State Park.*

Full-time equated classified positions	39.0	Full-time equated (FTE) positions in the state classified service.
Mackinac Island park operation – 24.3 FTE positions	\$1,446,000	<p>Fund non-historical facility portions of Mackinac Island State Park, Michilimackinac State Park, and Mill Creek State Park; supervise leases, franchises, and concessions. Facilities include nearly 2,400 acres, roads and trails, public utility sites, security, recreational facilities, docks, beaches, nature centers, and an airport; programs serve over 800,000 park visitors during the five-month season; GF/GP supports 65 non-revenue producing historic buildings.</p> <p style="text-align: right;">Funding Source(s):    Restricted    150,000    GF/GP    1,296,000</p> <p style="text-align: right;"><i>Related Boilerplate Section(s): None</i></p>
Historical facilities system – 14.7 FTE positions	2,192,900	<p>Operates historic buildings and museums; operational costs of historical facilities supported by user fees.</p> <p style="text-align: right;">Funding Source(s):    IDG    500,000    Restricted    1,489,800    GF/GP    203,100</p> <p style="text-align: right;"><i>Related Boilerplate Section(s): None</i></p>
<b>GROSS APPROPRIATION</b>	<b>\$3,638,900</b>	<b>Total of all applicable line item appropriations.</b>
Total interdepartmental grants/ intradepartmental transfers	500,000	Total of all grants from other departments and transfer of funds.
Total state restricted revenue	1,639,800	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$1,499,100</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.</b>

## SECTION 106: MICHIGAN HISTORICAL PROGRAM

*This appropriation unit provides funding for the preservation and interpretation of Michigan's history.*

Full-time equated classified positions	83.0	Full-time equated (FTE) positions in the state classified service.
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Federal programs – 12.0 FTE positions	\$1,960,900	State Historic Preservation Office identifies/protects historic sites through research/registration programs, planning, technical assistance, public education, grants, and compliance with federal laws.
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Funding Source(s):      Federal      1,960,900

*Related Boilerplate Section(s): 501*

Heritage publications	700,000	Publishes materials relating to Michigan history; supported by Heritage Publication Fund (a revolving fund); primary publication is <i>Michigan History</i> magazine (bimonthly periodical with subscription base of more than 32,000.
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Funding Source(s):      Restricted      700,000

*Related Boilerplate Section(s): 502*

Historical administration and services – 71.0 FTE positions <b>PARTIAL VETO</b>	5,137,500 5,012,500	<p>Administer Michigan History Program.</p> <p><u>Michigan Historical Museum System</u>: one in Lansing, nine field museums, and one historic site.</p> <p><u>State Archives</u>: care for state and local government records with enduring value; services to government, businesses, researchers, and general public; assist local governments with land, probate, and circuit court records management.</p> <p><u>Records Management Services</u>: develop retention/disposal schedules for state agencies, advise on technology in records management/preservation, and operate state records center.</p> <p><u>Office of the State Archeologist</u>: advise state agencies on site management and permit approval for archeological studies on state lands; implement (with Department of Environmental Quality) state law on shipwrecks; information repository for over 15,000 archeological sites; archeological expertise to federally-funded Historic Preservation program; manage (with National Oceanic and Atmospheric Administration) Thunder Bay National Underwater Preserve and Marine Sanctuary.</p> <p><u>State Historic Preservation Office</u>: services, training, and grants to identify/register/protect Michigan historic buildings/landscapes; oversee programs (Michigan Historical Marker, Centennial Farms, Certified Local Government, Historical Preservation Tax Credit); review National Register of Historic places nominations.</p> <p><u>Publications Section</u>: administer publication of <i>Michigan History</i> magazine; produce brochures/pamphlets/booklets explaining Center's historical programs and <i>Michigan History for Kids</i> magazine and <i>The Mitten</i> newsletter.</p> <p><u>Mann House</u>: in Concord; operation financed by private bequest</p> <p><u>Lighthouse Program</u>: administration, transfer assistance, grants (\$40,000 maximum, not for operations) to preserve Michigan lighthouses transferred from federal ownership.</p>
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Funding Source(s):      IDG      145,900  
    Restricted      107,700  
    GF/GP      4,758,900

*Related Boilerplate Section(s): 503, 505, 506, 507*

Private grants and gifts	502,400	Allows receipt and expenditure of private grants/gifts; includes State Historical Marker program (paid for by marker sponsors), and Centennial Farm Marker program (paid for by local utilities). Funding Source(s): Private 502,400  <i>Related Boilerplate Section(s): None</i>
Thunder Bay national marine sanctuary and underwater preserve	195,400	Manage shipwrecks in the bottomlands of Thunder Bay. Funding Source(s): GF/GP 195,400  <i>Related Boilerplate Section(s): None</i>
Historical grants – <b>VETOED</b>	<del>25,000</del> 0	Support Michigan History Day.  <i>Related Boilerplate Section(s): 509</i>
<b>GROSS APPROPRIATION</b>	<del>\$8,521,200</del> <b>\$8,371,200</b>	<b>Total of all applicable line item appropriations.</b>
Total interdepartmental grants/intrdepartmental transfers	145,900	Total of all funds received from other departments and transfer of funds.
<b>ADJUSTED GROSS APPROPRIATION</b>	<del>\$8,375,300</del> <b>\$8,225,300</b>	<b>Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).</b>
Total federal revenue	1,960,900	Total federal grant or matchable revenue.
Total private revenue	502,400	Total private grant revenue.
Total state restricted revenue	807,700	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
<b>GENERAL FUND/GENERAL PURPOSE</b>	<del>\$5,104,300</del> <b>\$4,954,300</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.</b>

## SECTION 107: LIBRARY OF MICHIGAN

*The Library of Michigan is charged primarily with providing reference services to the Executive, Legislative, and Judicial branches of state government, and to the general public. As the fourth largest state library in the nation, the Library maintains a collection of over three million books, millions of state and federal government publications, Michigan newspapers on microfilm, magazines and other periodicals, and one of the country's leading collections on family history. The Library also assists public libraries statewide. Workshops and training seminars are conducted by Library staff to train librarians and library trustees in the areas of technology, administration, finance, and patron services.*

*As the administrative agency, the Library distributes state aid funding to Michigan public libraries and public library cooperatives; federal funds are distributed annually to support Michigan libraries through statewide projects, competitive grant projects, and subgrant projects dedicated to a specific area of statewide interest. The Library of Michigan is linked to the Library of Congress, and is the state agency responsible for library services to the blind and to persons with disabilities. Students and senior citizens use these services widely through the Library and through a network of subregional libraries.*

Full-time equated classified positions	71.0	Full-time equated (FTE) positions in the state classified service.
Book distribution centers	\$350,000	Administer Book Distribution Program; provide donated reading and education material free, based on federal guidelines, to students (adult basic education and literacy, migrant, bilingual, special education); low-income senior citizens; substance abuse programs; veterans' homes/hospitals; sheltered workshops; state prison camps/institutions; and homes for the abused. Funding Source(s): GF/GP 350,000  <i>Related Boilerplate Section(s): 607</i>
Collected gifts and fees	161,900	Allows receipt of contributions, bequests, devises, user fees, grants, and private individual/agency donations to promote, continue, or accomplish projects supporting the Library mission. Funding Source(s): Private 75,000 Restricted 86,900  <i>Related Boilerplate Section(s): None</i>
Library of Michigan operations – 71.0 FTE positions	6,303,800	Salaries, benefits, telephone, equipment, postage, travel, purchased services/contracts, subscriptions, microforms, magazines, books, book preservation, office/maintenance supplies, printing, and Law Library operations; partial funding for statewide contracts for Michigan eLibrary (MeL) databases providing database access to Michigan residents through public, school, academic, or special libraries, or remotely using a driver's license or state identification card. Funding Source(s): GF/GP 6,303,800  <i>Related Boilerplate Section(s): 603</i>
Library services and technology act	5,557,400	Administer, plan, and monitor use of subgrants to assist libraries serving persons with disabilities, provide Internet access and training centers around the state, encourage library technology and networking among libraries to improve citizen access, and provide outreach services to individuals who have difficulty using a library. Funding Source(s): Federal 5,557,400  <i>Related Boilerplate Section(s): 603</i>



Preservation and access for Michigan project – <b>VETOED</b>	481,800 0	Digitize materials currently in libraries in the state and preserve, store, and make these digitized images available via Michigan Electronic Library (MEL); materials to be significant in state's history, the only existing copy of unique items, or of broad interest to Michigan citizens; evaluation group of library and university representatives to decide on items meeting criteria.
<i>Related Boilerplate Section(s): 609</i>		
State aid to public libraries	7,177,300	Supplement local funds to ensure access to library services; provide books/materials, staff training, interlibrary loan and document delivery services to link libraries together; 1977 PA 89 sets eligibility requirements to qualify for state aid and funding amount distributed to each qualified library through five grants; Library of Michigan administers funding, monitors requirements and payment systems, and publishes an annual report summarizing statistical information gathered on state aid. Funding Source(s): GF/GP 7,177,300
<i>Related Boilerplate Section(s): None</i>		
State aid to cooperative libraries	4,649,800	Assistance to library cooperatives. Funding Source(s): GF/GP 4,649,800
<i>Related Boilerplate Section(s): 610</i>		
Subregional state aid	505,000	Distribute free reading material available to Michigan residents who cannot see or read regular print due to a physical disability (includes books/magazines recorded on audiocassette, flexible disc, and in Braille; cassette/disc-playing equipment/accessories; and audio/close-captioned films); funds divided equally among 11 subregional libraries and one regional library for the blind and for persons with disabilities. Funding Source(s): GF/GP 505,000
<i>Related Boilerplate Section(s): 602</i>		
<b>GROSS APPROPRIATION</b>	<b><del>\$25,187,000</del> \$24,705,200</b>	<b>Total of all applicable line item appropriations.</b>
Total federal revenue	5,557,400	Total federal grant or matchable revenue.
Total private revenue	75,000	Total private grant revenue.
Total state restricted revenue	86,900	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b><del>\$19,467,700</del> \$18,985,900</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.</b>



## BOILERPLATE SECTION INFORMATION

**Sec. 201. State Spending and State Appropriations Paid to Local Units of Government**

Specifies total state spending and state appropriations to be paid to local units of government.

**Sec. 202. Appropriations Subject to the Management and Budget Act**

Subjects appropriations to Management and Budget Act.

**Sec. 203. Acronym Definitions**

Describes acronyms contained within this appropriations act.

**Sec. 204. Civil Service 1% Charge**

Requires Department of Civil Service to bill departments for 1% charge authorized by State Constitution by end of the first fiscal quarter; requires departments to pay the billing by end of the second fiscal quarter.

**Sec. 205. State Classified Civil Service Hiring Freeze**

Imposes hiring freeze on state classified civil service, permits exceptions, and requires a report on number of exceptions granted, to include justification for exceptions.

**Sec. 207. Privatization Plans**

Requires Department to submit a complete project plan 60 days prior to beginning any effort to privatize; requires evaluation of the privatization initiative within 30 months.

**Sec. 208. Internet Reporting**

Directs Department to use the internet for fulfilling reporting requirements in this act and authorizes transmission of reports via e-mail.

**Sec. 209. American/Michigan Goods and Services**

Requires Department to give preference to Michigan- or American-produced goods and services regarding purchases made with funds appropriated in part 1.

**Sec. 211. Affirmative Action Programs**

Requires Department, to receive GF/GP, to follow guidelines developed by the state equal opportunity workforce planning council.

**Sec. 213. Department of Information Technology (DIT) User Fees**

Directs Department to pay user fees to DIT for technology-related services and projects.

**Sec. 214. Information Technology Work Projects**

Designates funding appropriated for information technology as work projects.

**Sec. 215. Acceptance/Appropriation of Service Fee Revenue**

Allows Department to receive and expend fee revenue from reproduction services, conferences, trainings, storage services, supplying census information and rental of Department exhibits and collections; funds may be carried over for expenditure in following fiscal years.

**Sec. 216. History, Arts, and Libraries Fund**

Creates History, Arts and Libraries Service fund in Department, allows receipt and expenditure in part 1, and allows for carry over into subsequent fiscal years.

**Sec. 217. Travel Limitations**

Details travel limitations and exceptions.

**Sec. 218. Supplemental Fund Sources**

States legislative intent to explore supplemental funding for the Department.

**Sec. 401. Criteria for Grant Application**

Mandates Michigan Council for Arts and Cultural Affairs administration of all arts and cultural grant appropriations; empowers council to evaluate grant requests and program quality, consider geographic equity in awarding grants, and provide guidance regarding grant applicants and purposes. Provides that council continue to encourage nonprofit arts and cultural organizations to move from volunteer based organization to professionally-directed operations. Guides council on distribution of funds granted through regional regranteeing program. Council provides for an annual assessment of grant management and distribution of mini-grant awards.

**Sec. 402. Categories for Grants**

Establishes categories for grant programs administered by Michigan Council for Arts and Cultural Affairs.

**Sec. 403. Gross Grant Limitations**

Limits Arts and Cultural Grant part 1 gross authorization of 17% to any one organization; recommends 16% in FY 2006-07 and 15% in FY 2007-08; requires each grant recipient to have a grant agreement with Department which specifies applicable criteria included in this section and a listing of projects funded; suggests council provide awards in anchor organization program not to exceed 70% of total appropriated for arts and cultural grants.

**Sec. 404. Grant Application Fees Usage**

Allows Department to collect grant application fee of \$300, or 3% of the grant, for direct and indirect cost recovery; requires local and/or private match; match amounts must be substantiated by recipient agencies.

**Sec. 405. Reporting Requirements**

Directs entities receiving funds from this section to submit to the council a final report covering the grant period; requires submission of audit and annual report if an awardee receives grants greater than \$100,000.

**Sec. 406. Arts Grants Reports**

Requires reports 30 days after annual grant awards are made and when materials are first distributed by the council seeking grant applications for subsequent fiscal year. Directs Department to provide, within one business day of final council vote, electronic notification to each legislator of website location of list of arts and cultural grant awardees; requires council to report by August 1 any available unexpended/unencumbered grant funds; council will not redistribute any funding during the fiscal year without a ten-day notice.

**Sec. 501. Historic Site Preservation Grants**

Authorizes approximately \$1.4 million federal for Historic Site Preservation grants as a work project account.

**Sec. 502. Michigan Heritage Fund**

Appropriates funds collected for Michigan Heritage Fund; authorizes fund as a work project account.

**Sec. 503. Museum Store**

Exempts museum store from purchasing requirements in Management and Budget Act.

**Sec. 504. Preserving Michigan Lighthouses – VETOED**

Establishes guidelines for grants to transfer from federal ownership and/or preserve Michigan lighthouses.

**Sec. 505. Michigan Freedom Trail Commission and Status Notification**

Appropriates \$25,000 for operations of the Michigan Freedom Trail Commission; requires report.

**Sec. 506. Sale of State Historical Museum Artifacts**

Allows proceeds from sale of unsuitable Michigan Historic Museum artifacts to be used to purchase additional material for the collection; this revenue is immediately appropriated for expenditure. Department shall notify chairs and vice-chairs of appropriations committees one week prior to any auctions or sales.

**Sec. 507. Historical Society of Michigan Access to Michigan History Magazine Subscriber List**

Makes available to Historical Society of Michigan the Michigan History Magazine subscriber list at actual cost, unless prohibited by law.

**Sec. 508. Local Historical Society Grant Program Guidance – VETOED**

Provides guidance on use of \$100,000 in Historical Administration and Services line for competitive grant program for all state and local historical societies and State Historical Preservation Network.

**Sec. 509. Michigan History Day – VETOED**

Allocates \$25,000 for Michigan History Day from Historical Grants appropriation in part 1; Governor vetoed \$10,000 allocation to Arenac County Historical Society for Charity Island Lighthouse Preservation Project.

**Sec. 601. Local Support for Subregional Library Services**

Directs subregional library's fiscal agency to maintain its local support for subregional library services in order to receive Subregional State Aid.

**Sec. 602. Approval of Budgets for Subregional Libraries**

Requires approval of budgets for subregional libraries by Department prior to release of state funding.

**Sec. 603. Computerized Databases**

Requires appropriation for Statewide Database Access to be used to set up computerized databases, search those databases, and make products of those searches available through libraries of Michigan.

**Sec. 607. Book Distribution Centers**

Authorizes Book Distribution Centers funding in part 1 for the Public Enrichment Foundation and Michigan Friends of Education at \$163,750 each.

**Sec. 609. Digitization Project Language – VETOED**

Details implementation of Preservation Access for Michigan project; outlines materials to be digitized and accessed through the electronic library and requests equitable distribution of funds with no grant recipient to receive more than 30% of total appropriation.

**Sec. 610. State Aid to Cooperative Libraries**

Provides distribution formula.



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